

CONTACT FOR MEDIA: Roger Snell, Department of Insurance, (502)564-6098

FOR IMMEDIATE RELEASE: Friday, Dec. 6, 2001

Insurance fraud unit exposes Ashland scam, grand jury indicts on 267 felonies

FRANKFORT, KY. - Gareth D. Blevins, of Boyd County near Catlettsburg, has been indicted by a Boyd County Grand Jury on 267 felony counts of insurance fraud and forgeries, the Kentucky Department of Insurance announced today.

Insurance Commissioner Janie Miller said this is one of the most extensive individual cases of alleged insurance fraud because of the number of companies victimized and extent of the alleged forgeries.

J. Joseph Cohen, director of the Insurance Fraud Investigation Division of the Kentucky Department of Insurance, said that at least 15 insurance companies and 25 banks or finance companies were affected.

Blevins, a welder and construction worker, is charged with applying for numerous loans with credit insurance that offered payoffs of more than \$335,000 if he was disabled. It is alleged that he actually received more than \$145,000 by forging signatures on more than 250 medical and employment records, including those of a union leader, chiropractor and three doctors.

Boyd Commonwealth's Attorney J. Stewart Schneider said the Boyd County Grand Jury indicted Blevins yesterday on 210 felony counts of insurance fraud and 57 counts of forgery in the second degree.

Cohen said the investigation uncovered two periods when Blevins appeared to be most active. It is alleged that Blevins applied for 13 loans or cash advances on credit cards at several Ashland banks in 1998 and signed up for disability insurance that would cover total loans of more than \$45,000. In December 1999, Blevins allegedly sought another round of loans and cash advances in more than 20 separate transactions totaling more than \$190,000. Blevins claimed disabilities from two accidents.

"This case calls attention to how costly and significant insurance fraud is," Cohen said. "Each and every one of us pays for fraud because these improper costs must be passed on in the form of insurance premiums."

(As reporters know, an indictment is merely an accusation and a defendant is presumed innocent until and unless proven guilty.)